

Dominion Energy Southeast Services, Inc.
Legal Regulatory Department
100 SCANA Parkway, Cayce, SC 29033
Mailing Address:
220 Operation Way, MC C222, Cayce SC 29033
DominionEnergy.com



May 10, 2019

VIA ELECTRONIC FILING

The Honorable Jocelyn G. Boyd
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

RE: Dominion Energy South Carolina, Inc. – Request to Expand Turbine Maintenance Accrual to Include Columbia Energy Center

(This request does not involve any changes to the retail electric base rates of Dominion Energy South Carolina, Inc.)

Dear Ms. Boyd:

By Order No. 2017-447, dated July 12, 2017, issued in the above-referenced docket, the Public Service Commission of South Carolina (“Commission”) granted the request of Dominion Energy South Carolina, Inc. (“DESC” or “Company”) to continue its turbine maintenance accrual for another eight-year term until December 31, 2025.¹ As part of its turbine maintenance accrual, DESC includes major operation and maintenance expenses incurred at the following electric generating stations: Wateree; Williams; McMeekin; Cope; Urquhart; and Jasper. The purpose of this letter is to request that the Commission authorize DESC to expand its turbine maintenance accrual to include the major operation and maintenance expenses incurred at the Columbia Energy Center, a 540-megawatt rated combined-cycle gas-fired electric generating facility.

By way of background, DESC, pursuant to Commission Order Nos. 2005-2 and 2010-471, sets a levelized annual amount for turbine and generator maintenance expense in its retail electric base rates and records in a regulatory asset or liability account the difference between the levelized amount and the actual amount of turbine maintenance expense incurred. When the Commission set the levelized amount for the turbine maintenance accrual in 2010, DESC did not own or operate the Columbia Energy Center.

¹ Effective April 29, 2019, South Carolina Electric & Gas Company changed its legal name to Dominion Energy South Carolina, Inc.

(Continued . . .)

The Honorable Jocelyn G. Boyd
May 10, 2019
Page 2

As the Commission is aware, by Order No. 2018-272, dated May 2, 2018, issued in Docket No. 2018-25-E, the Commission approved, among other things, the transfer of the Certificate of Environmental Compatibility and Public Convenience and Necessity for the operation of the Columbia Energy Center to DESC. On May 9, 2018, DESC completed the acquisition of the Columbia Energy Center and has integrated the facility into the Company's existing portfolio of electric generating facilities.

In support of its request, it is important for the Commission to know that regularly scheduled turbine and generator maintenance is critical to maintaining the reliability of DESC's coal and natural gas-fired combined cycle generation fleet and preventing destructive failures in the turbines that power these units. While in operation, these turbines rotate at high speeds under heavy loading and if they experience a mechanical failure, the resulting damage can be extensive and expensive. Furthermore, DESC relies heavily upon these assets to produce electricity.

The addition of the Columbia Energy Center facility to DESC's turbine and generator maintenance accrual will not cause the Company to request an adjustment to the levelized accrual amount in base rates at this time. Any modification to the Commission-approved amount of the turbine and generator maintenance accrual will be addressed in the Company's next general base rate proceeding. Moreover, the request for relief set forth herein will not involve a change to any of DESC's retail rates or prices, or require any change in any Commission rule, regulation or policy. Accordingly, neither notice to the public at-large, nor a hearing is required regarding this request.

Based on the foregoing, the Company respectfully requests that the Commission issue an order authorizing DESC to include the major operation and maintenance expenses incurred at the Columbia Energy Center in its turbine and generator maintenance accrual. **If the Commission grants DESC's request herein, then the Company will begin accruing expenses after the effective date of the Commission's order.**

By copy of this letter, we are serving the South Carolina Office of Regulatory Staff with the Company's request.

(Continued . . .)

The Honorable Jocelyn G. Boyd
May 10, 2019
Page 3

Thank you for your time and consideration. **If you have any questions or concerns, please do not hesitate to contact us.**

Very truly yours,



K. Chad Burgess

KCB/kms

cc: Jeffrey M. Nelson, Esquire
(via electronic and U.S. First Class Mail)